

ALASKA DEPARTMENT OF REVENUE
News Release

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PERS REPORTS DOUBLE DIGIT EARNINGS

The Alaska Retirement Management Board reports double-digit earnings of 15.16% for the Public Employees Retirement System (PERS) for the calendar year ending December 31, 2006 said Gary Bader, Chief Investment Officer for the Department of Revenue. The Teachers' Retirement System (TRS) earned 15.18% for the year.

The returns placed the PERS in the top 18% of public pension funds in the Callan universe. Callan Associates is one of the country's largest pension plan consultants.

Emerging markets was the top performing asset class, earning 30.55% followed by international equities with 26.64% and real estate with 20.84%. Private equity gained 19.08%, domestic equities gained 14.61%, and fixed income gained 4.69%. The funds' Other category, which includes agriculture and energy, gained 12.78%.

The Alaska Retirement Management Board, created by the Legislature in October 2005 to manage over \$15 billion in retirement assets, consists of nine trustees, all appointed by the governor. Board Chair Gail Schubert said, "The Board believes that asset allocation decisions drive our returns. The significance of this outperformance is that it confirms that the changes made in investment allocations result in rates of return that exceed the actuarial assumption. The Board's actuary assumes the PERS will earn 8.25%, for the past three years the fund has earned 11.38%."

The Treasury Division of the Alaska Department of Revenue performs the day-to-day investment activities for the board.
